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Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:)	CFL LICENSE NO.: 603B449
)	
THE COMMISSIONER OF BUSINESS)	CITATION
OVERSIGHT,)	
)	(FIN. CODE, § 22707.5)
Complainant,)	
v.)	
)	
KRACKSMITH, INC.,)	
)	
Respondent.)	
)	
)	
)	
)	

The Commissioner of Business Oversight (Commissioner) finds the following:

I.

Factual Background

1. Kracksmith, Inc. (Kracksmith), is a California corporation with a principal place of business at 2360 Huntington Drive, San Marino, California 91108.
2. Kracksmith is licensed as a finance lender under California Finance Lenders Law (CFL) license number 603B449.
3. Under Financial Code section 22159, CFL licensees must file an annual report with the Commissioner by March 15 of each year.

CITATION

4. On March 6, 2017, the Commissioner reminded CFL licensees of the March 15 deadline for filing their annual reports by sending notice to the e-mail addresses designated by the licensees for receiving communications from the Commissioner according to the Commissioner’s Order on Electronic Communications dated November 22, 2013.

5. As of March 22, 2017, Kracksmith had not filed its annual report. The Commissioner sent a final notice dated March 22, 2017, to Kracksmith by certified mail, informing it that if it did not file its annual report by the close of business on April 10, 2017, its license would be summarily revoked under Financial Code section 22715.

6. On April 11, 2017, Kracksmith still had not filed its annual report. Thus, on April 19, 2017, the Commissioner issued an order summarily revoking the CFL license of Kracksmith. The order was effective that day.

7. On May 31, 2017, Kracksmith filed its annual report, which was due on March 15, 2017.

8. Kracksmith does business under the name The American Business Fund and American Business Fund and maintains a website at www.americanbusinessfund.com. On May 16, 2017, the website did not refer to Kracksmith’s licensure under the CFL.

9. During these proceedings, Kracksmith represented to the Commissioner that it had not conducted any business requiring a CFL license from April 19, 2017, to the date of this Citation.

10. In response to Kracksmith’s corrective actions, on June 5, 2017, the Commissioner issued an order rescinding the April 19, 2017 revocation order and reinstating Kracksmith’s CFL license.

II.

Citation

Financial Code section 22707.5, subdivision (a), provides in relevant part:

(a) If, upon inspection, examination, or investigation, the commissioner has cause to believe that a licensee or other person is violating any provision of this division or any rule or order thereunder, the commissioner or his or her designee, may issue a citation to the licensee or person in writing, describing with particularity the basis of the citation. . . . In addition, each citation may assess an administrative fine not to exceed two thousand five hundred dollars (\$2,500)

1 Based on the foregoing findings, Kracksmith failed to file an annual report with the
2 Commissioner in violation of Financial Code section 22159. The Commissioner hereby assesses a
3 \$2,500.00 administrative fine under Financial Code section 22707.5, subdivision (a). Kracksmith is
4 ordered to pay \$2,500.00 for this violation within 30 days from the date of this Citation.

5 Based on the foregoing findings, Kracksmith failed to refer to its licensure under the CFL in
6 written, printed, or oral communications in violation of California Code of Regulations, title 10,
7 section 1550. The Commissioner hereby assesses a \$1,500.00 administrative fine under Financial
8 Code section 22707.5, subdivision (a). Kracksmith is ordered to pay \$1,500.00 for this violation
9 within 30 days from the date of this Citation.

10 The total amount of \$4,000.00 must be made payable in the form of a cashier's check or
11 Automated Clearing House deposit to the Department of Business Oversight and transmitted to the
12 attention of Accounting – Litigation, at the Department of Business Oversight, 1515 K Street, Suite
13 200, Sacramento, California 95814. Notice of the payment must be sent to Samuel J. Park, Counsel,
14 320 West 4th Street, Suite 750, Los Angeles, California 90013.

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16 Dated: June 5, 2017
17 Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

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19 By: _____
20 MARY ANN SMITH
21 Deputy Commissioner
22 Enforcement Division
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